

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

ILLINOIS  
COMMERCE COMMISSION

Mar 16 9 59 AM '00

Illinois Bell Telephone Company (Ameritech Illinois)  
and AT&T Communications of Illinois, Inc.

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: CHIEF CLERK'S OFFICE  
: 00-0164

Approval of the Third Amendment to the  
Interconnection Agreement dated January 14, 1997  
pursuant to 47 U.S.C. §§ 252 (a)(1) and 252(e).

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**VERIFIED STATEMENT OF JULIE M. VANDERLAAN**

My name is Julie M. VanderLaan and I am employed by the Illinois Commerce Commission as an Economic Analyst in the Telecommunications Division. I graduated from Illinois State University with both a Master of Science Degree in Economics with a Concentration in Regulation in 1996, and a Bachelor of Science Degree in Finance and Economics in 1993. One of my responsibilities as an analyst is to review negotiated agreements and provide a recommendation as to their approval.

I have reviewed the amendment between Ameritech Illinois and AT&T Communications of Illinois, Inc. ("AT&T") dated February 14, 2000 which is the Third Amendment to the Interconnection Agreement dated January 14, 1997, between both parties. The Third Amendment describes two arrangements for 8YY Interconnection: 8YY Interconnection Arrangement A and 8YY Interconnection Arrangement B. Both 8YY Interconnection arrangements allow AT&T's end user to originate 8YY calls that will terminate with interexchange carriers connected to Ameritech's tandem switches. The Third Amendment also describes the formation of the Parties' 8YY Interconnection Team, Trunking, and Provisioning requirements, Signaling and Call Data parameters,

Bill parameters, Deployment and Provisioning requirements, as well as other duties and obligations.

## **STANDARD OF REVIEW**

The purpose of my verified statement is to examine the amendment based on the standards set forth in section 252(e)(2)(A) of the 1996 Act. Specifically, this section states:

The State commission may only reject-

- an agreement (or any portion thereof) adopted by negotiation under subsection (a) if it finds that-
- (i) the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement; or
- (ii) the implementation of such agreement or portion is not consistent with the public interest, convenience, and necessity.

### **I. Approval under Section 252(e)**

#### **A. Discrimination**

The first issue that must be addressed by the Commission in approving or rejecting a negotiated agreement or amendment to such agreement under Section 252(e)(2)(A) is whether it discriminates against a telecommunications carrier that is not a party to the agreement. Discrimination is generally defined as giving preferential treatment. In previous dockets, Staff has taken the position that in order to determine if a negotiated agreement is discriminatory, the Commission should determine if all similarly situated carriers are allowed to purchase the service under the same terms and conditions as provided in the agreement. I recommend that the Commission use the same approach when evaluating this negotiated agreement.

A carrier should be deemed to be a similarly situated carrier for purposes of this agreement or amendment if telecommunications traffic is exchanged between itself and Ameritech Illinois for termination on each other's networks and if it imposes costs on Ameritech Illinois that are no higher than the costs imposed by AT&T. If a similarly situated carrier is allowed to purchase the service(s) under the same terms and conditions as provided in this contract, then this contract should not be considered discriminatory. Evaluating the term discrimination in this manner is consistent with the economic theory of discrimination. Economic theory defines discrimination as the practice of charging different prices (or the same prices) for various units of a single product when the price differences (or same prices) are not justified by cost. See, Dolan, Edwin G. and David E. Lindsey, Microeconomics, 6<sup>th</sup> Edition, The Dryden Press, Orlando, FL (1991) at pg. 586.

I have no reason to conclude that this amendment is discriminatory. Also, Section 252(i) of the 1996 Act allows similarly situated carriers to enter into essentially the same contract.

#### **B. Public Interest**

The second issue that must be addressed by the Commission in approving or rejecting a negotiated agreement or amendment to such agreement under Section 252(e)(2)(A) is whether it is contrary to the public interest, convenience, and necessity. I recommend that the Commission examine the agreement on the basis of economic efficiency, equity, past Commission orders, and state and federal law to determine if the agreement is consistent with the public interest.

According to the Joint Petition, Ameritech and AT&T has disagreed as to the interpretation and applicability of certain provisions of Article V of the Interconnection Agreement relating to 8YY traffic. Notwithstanding their relative positions regarding whether an amendment to the Interconnection Agreement is required, in this Amendment, the parties agreed to settle the dispute between them concerning AT&T's proposals for 8YY interconnection and to amend their existing Interconnection Agreements accordingly.

Given that the Third Amendment is the result of voluntary negotiations and nothing in the amendment is inequitable, inconsistent with past Commission Orders, or in violation of state or federal law, I recommend that the Commission approve this amendment subject to the implementation requirements of the next section.

## **II. Implementation**

In order to implement the Third Amendment to the Ameritech Illinois-AT&T agreement, the Commission should require Ameritech Illinois to, within five days from the date the agreement is approved, modify its tariffs to reference the negotiated agreement for each service. Such a requirement is consistent with the Commission's Orders in previous negotiated agreement dockets and allows interested parties access to the agreement. The following section of Ameritech Illinois' tariffs should reference the Ameritech Illinois-Allegiance:

### **Agreements with Telecommunications carriers (ICC No. 21 Section 19.15).**

In addition, the Commission should require Ameritech Illinois to file a copy of the approved agreement with the Chief Clerk's Office, within five days from the date the agreement is approved. The Chief Clerk should be directed to place the agreement in

a separate binder. Such a requirement is also consistent with the Commission's Orders in previous negotiated agreement dockets.

For the reasons set forth above, I recommend approval of the Third Amendment to the Ameritech-AT&T interconnection agreement.

## VERIFICATION

STATE OF ILLINOIS                    )  
  ) SS  
COUNTY OF SANGAMON                )

I, Julie M. VanderLaan, do on oath depose and state that if called as a witness herein, I  
would testify to the facts contained in the foregoing document based upon personal  
knowledge.

Julie M. VanderLaan

SIGNED AND SWORN TO BEFORE ME THIS 14<sup>th</sup> DAY OF  
March, 2000.

Joyce Adcock  
NOTARY PUBLIC




**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

<b>ILLINOIS BELL TELEPHONE COMPANY</b>	)	
<b>(Ameritech Illinois) and</b>	)	
<b>AT&amp;T Communications of Illinois, Inc.</b>	)	<b>00-0164</b>
	)	
<b>Approval of Third Amendment to Interconnection</b>	)	
<b>Agreement dated March 14, 1997, pursuant</b>	)	
<b>to 47 U.S.C. §§ 252(1) and 252(e).</b>	)	

**NOTICE OF FILING**

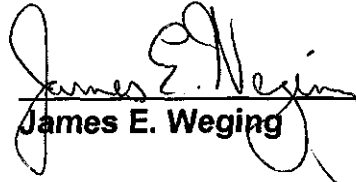
PLEASE TAKE NOTICE that we have on this 14<sup>th</sup> day of March, 2000, filed with the Chief Clerk of the Illinois Commerce Commission, 527 East Capitol Avenue, Springfield, Illinois, the Verified Statement of the Staff of the Illinois Commerce Commission, a copy of which is hereby served upon you.

  
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Counsel for the Staff of the  
Illinois Commerce Commission

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that copies of the above Notice, together with copies of the document referred to therein, have been served upon the parties to whom the Notice is directed by first-class mail, proper postage prepaid, from Chicago, Illinois, or by facsimile on this 14<sup>th</sup> of March, 2000.

  
James E. Weging

**SERVICE LIST**  
**Docket # 00-0164**  
**AL/AT .....JEW**

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